

US

TTAB clarifies requirements for consent agreements

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The Trademark Trial and Appeal Board (TTAB) issued a precedential opinion in *In re American Cruise Lines, Inc.* regarding the necessary provisions for an acceptable consent to registration. In doing so, the TTAB provided clarification and guidance to trade mark owners who are negotiating and drafting consent agreements.

American Cruise Lines filed a trade mark application for the mark AMERICAN CONSTELLATION covering cruise ship services. The USPTO refused to register the mark based on a likelihood of confusion with the registered marks CONSTELLATION and CELEBRITY CONSTELLATION, each owned by the same registrant and covering identical services. During the prosecution of its application, in its attempts to overcome the likelihood of confusion refusal, American Cruise Lines submitted two consent agreements between it and the owner of the cited registrations. The USPTO examiner did not accept either consent agreement and maintained the refusal. American Cruise Lines then appealed the refusal to the TTAB.

The second consent agreement submitted listed five reasons why the parties believed that confusion was not likely. However, the examiner argued that it was still a “naked” consent because it did not describe the arrangements undertaken by the parties to avoid confusion, did not include an express undertaking by the parties to make efforts to prevent confusion or to cooperate with one another and take steps to avoid any confusion that may arise in the future. A “naked consent agreement” is one that contains little more than the registrant’s consent to registration and, sometimes, a statement that confusion is believed to be unlikely. Naked consent agreements are generally not sufficient to overcome a likelihood

of confusion refusal.

The TTAB found that the second consent agreement was not, in fact, a naked one. It held that “a provision in the consent agreement that the parties agree to make efforts to prevent confusion or to cooperate and take steps to avoid confusion that may arise in the future may render the agreement more probative, but it is not an essential provision for the agreement to have probative value.” The TTAB noted that the consent agreement at issue included several credible reasons that the parties consider confusion to be unlikely and held that “while the inclusion of provisions to avoid any potential confusion are preferred and probative in consent agreements, they are not mandatory.”

The TTAB ruled that a consent agreement in which “competitors have clearly thought out their commercial interests” should be given great weight and that the examiner should not substitute its judgment concerning the likelihood of confusion between two marks for the judgment of the real parties in interest. Accordingly, the TTAB reversed the refusal to register the AMERICAN CONSTELLATION mark.

This decision is instructive because it confirms that the TTAB will give great deference to contracting parties who have entered into a consent agreement and that parties to a consent agreement do not necessarily need to include provisions about taking steps to avoid confusion in order for the consent to be accepted. Nonetheless, given the TTAB’s indication that such provisions are preferred and probative, it continues to be advisable to include such provisions.